

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

for the year ended

31 December 2005

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Company Registration No. 1332670  
Registered Charity No. 274605

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS**

**INDEX TO ANNUAL REPORT AND FINANCIAL STATEMENTS**

**Year ended 31 December 2005**

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THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS AND OFFICERS

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DIRECTORS

T J Spallino  
A Ford  
C Jolliffe

SECRETARY

C Jolliffe

COMPANY NUMBER

1332670 (England and Wales)

REGISTERED CHARITY NUMBER

274605

REGISTERED OFFICE

751 Warwick Road  
Solihull  
West Midlands B91 3DQ

AUDITORS

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

BANKERS

HSBC  
34 Poplar Road  
Solihull  
West Midland  
B 91 3AF

Bank of America  
26 Elmfield Road  
Bromley  
Kent  
BR1 1WA

SOLICITORS

Devonshires  
Salisbury House  
London Wall  
London  
EC2M 5QY

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

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The directors, who are the charity's trustees, submit their report and the financial statements of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and subsidiary undertakings for the year ended 31 December 2005.

LEGAL AND ADMINISTRATIVE INFORMATION

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited is a registered charity which has been incorporated as a private limited company. This status was changed from private unlimited company on 2 June 2005. The charity is governed by its Memorandum and Articles of Association.

OBJECTS, PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

The objects of the charity, its principal activities and a review of the year are given in the Trustees' Report on pages 26, 27 and 28 of the financial statements.

RESULTS

The surplus of the group for the year was £1,068,000 (2004 - £147,000) after receiving a donation of £500,000 (2004 - £500,000) from The Church of Jesus Christ of Latter-day Saints (Great Britain).

As it is a Charity no dividends are payable which leaves a surplus for the year of £1,068,000 to be transferred to reserves.

Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints to whom sole ownership was transferred 31 March 2005.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:-

J E Berry	- appointed 31 March 2005, resigned 15 August 2005
A K Broadway	- resigned 15 August 2005
B L Buckner	- resigned 31 March 2005
R L Cowan	- resigned 15 August 2005
B C James	- resigned 31 March 2005
K F Keeler	- resigned 31 March 2005
T J Spallino	- appointed 16 June 2004
A Ford	- appointed 15 August 2005
C Jolliffe	- appointed 15 August 2005

DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company or its subsidiary undertakings.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

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GOVERNANCE AND INTERNAL CONTROL

The directors have considered the risks the charity is exposed to and have ensured that there are suitable controls in place to mitigate those risks.

CHARITABLE CONTRIBUTIONS

During the year the charity made charitable contributions totalling £1,125,000 (2004: £892,000) as disclosed in note 2.

RESERVES

Our objective is to have a twelve to eighteen month supply of funds in reserve to meet our charitable aims. Reserves held at year end totalled £10,275,000 (2004: £9,207,000).

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 234A of the Companies Act, each director, who was a director at the time the report was approved, confirms the following:

- \* So far as each director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- \* Each has taken all steps that each ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

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DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Trustees Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The directors are responsible for preparing financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group and of the incoming and outgoing resources of the Group for that period. In preparing those financial statements, the directors are required to:

- \* Select suitable accounting policies and then apply them consistently;
- \* Make judgements and estimates that are reasonable and prudent;
- \* State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- \* Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors' are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

C. Joffriffe  
Secretary

20 October 2006

AUDITORS' REPORT TO THE MEMBERS OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31st December 2005

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHURCH OF JESUS CHRIST  
OF LATTER-DAY SAINTS (WELFARE) LIMITED AND SUBSIDIARY UNDERTAKINGS

We have audited the financial statements which comprise the statement of financial activities, the balance sheet, cash flow statements and related notes. These financial statements have been prepared under the accounting policies therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors also act as trustees for the charitable activities of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and Subsidiary Undertakings. As described in the Statement of Directors' Responsibilities the directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

AUDITORS' REPORT TO THE MEMBERS OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31st December 2005

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BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements:

- \* give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group at 31 December 2005 and of its incoming resources, including its income and expenditure, and cash flows for the year then ended; and
- \* have been prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
*8th November 2006*

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
for the year ended 31st December 2005

Notes	GROUP				
	Unrestricted total funds 2005 £'000	Restricted Total funds 2005 £'000	Total funds 2005		Total funds 2004 £'000
			2005	£'000	
<b>INCOMING RESOURCES:</b>					
New construction	5,895	-	5,895		5,279
Rental income	19	-	19		19
Other income	278	-	278		58
Net income of trading subsidiaries	2,014	-	2,014		1,534
Donation from The Church of Jesus Christ of Latter-day Saints (Great Britain)	-	500	500		500
<b>TOTAL INCOMING RESOURCES</b>	<b>8,206</b>	<b>500</b>	<b>8,706</b>		<b>7,390</b>
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure	7,088	500	7,588		7,193
Other expenditure	50	-	50		50
<b>TOTAL RESOURCES EXPENDED</b>	<b>7,138</b>	<b>500</b>	<b>7,638</b>		<b>7,243</b>
Net movement in funds	1,068	-	1,068		147
Balances brought forward at 1 January 2005	9,207	-	9,207		9,060
<b>Balances carried forward at 31 December 2005</b>	<b>10,275</b>	<b>-</b>	<b>10,275</b>		<b>9,207</b>

**CONTINUING OPERATIONS**

All activities are continuing. No differences exist between the net incoming resources as reported in the statement of financial activities and the historical cost results (2004: £Nil)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
for the year ended 31st December 2005

Notes	COMPANY				
	Unrestricted Total funds 2005 £'000	Restricted Total funds 2005 £'000	Unrestricted Total funds 2005 £'000	Restricted Total funds 2005 £'000	Unrestricted Total funds 2004 £'000
<b>INCOMING RESOURCES:</b>					
New construction	5,895	-	5,895	-	5,279
Rental income	1,125	-	1,125	-	1,124
Other income	278	-	278	-	58
<i>Profits covenanted from farm activities</i>	1,141	-	1,141	-	472
Donation from The Church of Jesus Christ of Latter-day Saints (Great Britain)	-	500	500	-	500
<b>TOTAL INCOMING RESOURCES</b>	<b>8,439</b>	<b>500</b>	<b>8,939</b>	<b>500</b>	<b>7,433</b>
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure	7,305	500	7,805	50	7,245
Other expenditure	50	-	50	-	50
<b>TOTAL RESOURCES EXPENDED</b>	<b>2</b>	<b>7,355</b>	<b>500</b>	<b>7,855</b>	<b>7,295</b>
Net movement in funds	1,084	-	1,084	-	138
Balances brought forward at 1 January 2005	5,177	-	5,177	-	5,039
Balances carried forward at 31 December 2005	6,261	-	6,261	-	5,177

**CONTINUING OPERATIONS**

All activities are continuing. No differences exist between the net incoming resources as reported in the statement of financial activities and the historical cost results (2004: £Nil)

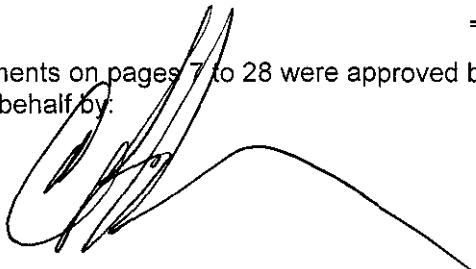
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

BALANCE SHEET  
As at 31st December 2005

	Notes	GROUP		COMPANY	
		2005 £'000	2004 £'000	2005 £'000	2004 £'000
<b>FIXED ASSETS</b>					
Tangible assets	6	47,700	46,140	44,922	43,373
Investments	7	5	5	4,100	4,100
		47,705	46,145	49,022	47,473
<b>CURRENT ASSETS</b>					
Stock	8	5,529	5,670	-	-
Debtors	9	2,810	2,203	4,991	4,354
Cash at bank and in hand		10,058	10,062	7,706	6,972
		18,397	17,935	12,697	11,326
<b>CREDITORS</b>					
Amounts falling due within one year	10	(959)	(2,753)	(649)	(1,544)
<b>NET CURRENT ASSETS</b>					
		17,438	15,182	12,048	9,782
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		65,143	61,327	61,070	57,254
<b>CREDITORS</b>					
Amounts falling due after more than one year	11	(44,809)	(52,077)	(44,809)	(52,077)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	(59)	(43)	-	-
		20,275	9,207	16,261	5,177
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13	10,000	-	10,000	-
Unrestricted funds:					
Accumulated fund	14	10,275	9,207	6,261	5,177
<b>TOTAL CHARITY FUNDS</b>					
		20,275	9,207	16,261	5,177

The financial statements on pages 7 to 28 were approved by the board of directors on 20 October 2006 and were signed on its behalf by:

C Jolliffe - Director



THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31st December 2005

	Notes	2005 £'000	2004 £'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus/(deficit)	17a	684	(126)
Depreciation		1,036	1,023
Amortisation		-	37
Profit on disposal of fixed assets		(9)	(88)
Decrease/(increase) in stocks		141	(1,048)
(Increase)/decrease in debtors		(607)	168
(Decrease)/increase in creditors		(1,794)	988
Net cash (outflow)/inflow from operating activities		(549)	954
<b>CASH FLOW STATEMENT</b>		<b>2005 £'000</b>	<b>2004 £'000</b>
Net cash (outflow)/inflow from continuing operating activities		(549)	954
Tax		16	(46)
Returns on investments and servicing of finance	17a	384	273
Capital expenditure and financial investment	17a	(2,587)	(804)
<b>CASH FLOW BEFORE FINANCING</b>		<b>(2,736)</b>	<b>377</b>
Financing: Received from parent company		2,732	709
<b>(DECREASE)/INCREASE IN CASH IN THE PERIOD</b>		<b>(4)</b>	<b>1,086</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 17b)</b>		<b>2005 £'000</b>	<b>2004 £'000</b>
(Decrease)/increase in cash in the period		(4)	1,086
Change in net debt resulting from cash flows		(2,732)	(709)
Change in net debt not resulting from cash flows		10,000	-
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>		<b>7,264</b>	<b>377</b>
<b>NET DEBT AT 1 JANUARY 2005</b>		<b>(42,015)</b>	<b>(42,392)</b>
<b>NET DEBT AT 31 DECEMBER 2005</b>	17b	<b>(34,751)</b>	<b>(42,015)</b>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

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The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2000. A summary of the significant accounting policies which have been applied consistently is set out below:

**BASIS OF ACCOUNTING.**

The financial statements are prepared under historical cost convention, and in accordance with the Companies Act 1985.

**BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 2005. The consolidation has been prepared using the line by line method of accounting.

**FRS 18**

The directors have reviewed the accounting policies and confirmed that they are the most applicable.

**INCOMING RESOURCES**

All incoming resources are included in the SOFA when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy. Costs of constructing new buildings on behalf of The Church of Jesus Christ of Latter-Day Saints (Great Britain) are recharged at each year end on the basis of total construction costs incurred to date. Rental income is recorded in accordance with the terms of the appropriate lease.

**RESOURCES EXPENDED**

All expenditure is accounted for on an accruals basis under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the charity.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Individual fixed assets costing £2,000 or more are capitalised at cost. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write down each asset to its estimated residual value over its expected useful life, as follows:-

Farm houses	over 40 years
Farm buildings and amenities	over 10 to 40 years
Fixtures, fittings,	over 5 to 10 years
Plant and machinery	over 5 to 10 years
Motor vehicles	over 3 to 10 years

**FIXED ASSET INVESTMENTS**

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

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**STOCKS**

Stocks and cultivations are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

**OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

**FOREIGN CURRENCY TRANSLATIONS**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities.

**DEFERRED TAXATION**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more or less taxation in future. An asset is recognised to the extent that the transfer of economic benefits in future is more likely than not. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities recognised are not discounted. This policy applies equally to subsidiary undertakings.

**PENSION CONTRIBUTIONS**

The company is party to a defined benefit scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans (see note 18). The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriate of the rates. Pension costs are accounted for on the basis of contributions made during the year or accrued at the year-end (i.e. on a defined contribution basis), as required by Financial Reporting Standard 17 "Retirement Benefits" in circumstances where the company cannot identify with any degree of accuracy it's share of the scheme assets and liabilities. The company provides no other past retirement benefits to it's employees.

Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

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**PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS**

Donations by one of the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income are included within incoming resources in the year to which they relate.

Capital contributions by one of the company's parent undertakings to provide funding, are treated as an exceptional item in the statement of financial activities in the year in which they arise.

**AREA AID INCOME**

Area aid income is recognised in the statement of financial activities when the underlying crops are sold. Set-aside income is recognised on a receivable basis wherever practicable else on a receipts basis.

**FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31st December 2005

**1a NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES**

The charity has three subsidiaries which are incorporated in England and Wales. All companies operate farms. Audited accounts prepared for the year ended 31 December 2005 have been filed with the Registrar of Companies which show the following results:

	Farmspeed (Southery Anchor) Limited £'000	Hallsworth (Farmland Trust) Limited £'000	AgReserves Limited £'000	2005 Total £'000	2004 Total £'000
Turnover	2,193	2,543	2,839	7,575	5,703
Cost of sales	(1,030)	(1,288)	(895)	(3,213)	(2,440)
<b>Gross surplus</b>	<b>1,163</b>	<b>1,255</b>	<b>1,944</b>	<b>4,362</b>	<b>3,263</b>
Operating expenses	(899)	(851)	(1,745)	(3,495)	(3,182)
Other operating income	-	102	-	102	62
<b>Operating surplus</b>	<b>264</b>	<b>506</b>	<b>199</b>	<b>969</b>	<b>143</b>
Profit on disposal of tangible fixed assets	-	-	9	9	88
Interest receivable	-	-	163	163	241
Charitable payments	(264)	(506)	(371)	(1,141)	(472)
Taxation	-	-	(16)	(16)	46
<b>Net income/(expenditure) for the year per accounts</b>	<b>-</b>	<b>-</b>	<b>(16)</b>	<b>(16)</b>	<b>46</b>
Consolidation adjustments eliminated:					
Rent payable to parent undertaking	285	429	392	1,106	1,105
Charitable payments to parent undertaking	264	506	371	1,141	472
Management fees receivable from parent undertaking	-	-	(217)	(217)	(89)
Management fees between subsidiaries	(25)	25	-	-	-
<b>Net income of trading subsidiaries included in the Statement of Financial Activities</b>	<b>524</b>	<b>960</b>	<b>530</b>	<b>2,014</b>	<b>1,534</b>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

1b ASSETS AND LIABILITIES OF SUBSIDIARIES

	2005 £'000	2004 £'000
Aggregate assets	14,477	15,525
Aggregate liabilities	(6,364)	(7,395)
<b>Net Assets</b>	<b>8,113</b>	<b>8,130</b>

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	GROUP		COMPANY	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
<b>Direct charitable expenditure:</b>				
Cost of construction	5,895	5,279	5,895	5,279
Charitable contributions	1,125	892	1,125	892
Depreciation and amortisation	-	37	-	-
Physical facilities	7	663	7	663
Operating costs	561	322	778	411
	7,588	7,193	7,805	7,245
<b>Other expenditure:</b>				
Professional fees	50	50	50	50
	7,638	7,243	7,855	7,295

3 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2005 £'000	2004 £'000
<b>Net income/(expenditure) is stated after charging:</b>		
Depreciation		
- owned assets	1,036	1,023
Profit on disposal of tangible fixed assets	9	-
Auditors' remuneration - audit services	14	31
Auditors' remuneration - other services	-	-
Operating lease rentals	-	-
- plant and machinery	-	-

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

4 EMPLOYEES	2005 No.	2004 No.
The average weekly number of persons (including directors) employed by the group during the year was:	40	37
Staff costs for the above persons:		
Wages and salaries	912	969
Social security costs	91	84
Other pension costs	91	89
	1,094	1,142

For the year ended 31 December 2005 the number of employees whose emoluments fell within the following bands are as follows:

	2005 No.	2004 No.
£60,000 - £70,000	1	1
£50,000 - £60,000	2	2

None of the directors who served during the year ended 31 December 2005 received remuneration from this company, nor was any charge made to the company for their services by any other group company. Additionally no director received reimbursement for expenses incurred during the year.

5 TAXATION

The company is a registered charity and as such its charitable activities are not liable to UK corporation tax.

The company's subsidiaries are liable to UK corporation tax and the charge for the year is shown within the net income of trading activities of subsidiaries in note 1.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

6 TANGIBLE FIXED ASSETS

GROUP

	Freehold Land £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Farms £'000	Total £'000
<b>Cost:</b>					
1st January 2005	6,109	6	5,773	38,721	50,609
Transfer from GB company	988	-	-	-	988
Additions	14	-	984	803	1,801
Disposals	-	-	(652)	-	(652)
<b>31st December 2005</b>	<b>7,111</b>	<b>6</b>	<b>6,105</b>	<b>39,524</b>	<b>52,746</b>
<b>Depreciation:</b>					
1st January 2005	-	4	3,006	1,459	4,469
Charge for Year	-	1	780	255	1,036
Disposals	-	-	(459)	-	(459)
<b>31st December 2005</b>	<b>-</b>	<b>5</b>	<b>3,327</b>	<b>1,714</b>	<b>5,046</b>
<b>Net book value:</b>					
<b>31st December 2005</b>	<b>7,111</b>	<b>1</b>	<b>2,778</b>	<b>37,810</b>	<b>47,700</b>
<b>31st December 2004</b>	<b>6,109</b>	<b>2</b>	<b>2,767</b>	<b>37,262</b>	<b>46,140</b>

A detailed analysis of farms is shown on page 19.

All of the tangible fixed assets are used to generate income for charitable purposes.

Included in the schedule shown above is a transfer from the company, The Church of Jesus Christ of Latter-day Saints (Great Britain)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

	Freehold Land and £'000	Fixtures & Fittings £'000	Farms £'000	Total £'000
<b>Cost:</b>				
1st January 2005	6,109	6	38,721	44,836
Additions	14	-	803	817
Transfer from GB company	988	-	-	988
<b>31st December 2005</b>	<b>7,111</b>	<b>6</b>	<b>39,524</b>	<b>46,641</b>
<b>Depreciation:</b>				
1st January 2005	-	4	1,459	1,463
Charge for Year	-	1	255	256
<b>31st December 2005</b>	<b>-</b>	<b>5</b>	<b>1,714</b>	<b>1,719</b>
<b>Net book value:</b>				
31st December 2005	7,111	1	37,810	44,922
31st December 2004	6,109	2	37,262	43,373

A detailed analysis of the farms category is shown on page 19.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

Included within farms above are:

	Freehold Land £'000	Farm houses £'000	Farm buildings & amenities £'000	Equipment Fixtures & Fittings £'000	Total £'000
<b>Cost:</b>					
1st January 2005	30,991	3,885	3,763	82	38,721
Additions	-	133	670	-	803
<b>31st December 2005</b>	<b>30,991</b>	<b>4,018</b>	<b>4,433</b>	<b>82</b>	<b>39,524</b>
 <b>Depreciation:</b>					
1st January 2005	-	725	688	46	1,459
Charge for Year	-	107	142	6	255
<b>31st December 2005</b>	<b>-</b>	<b>832</b>	<b>830</b>	<b>52</b>	<b>1,714</b>
 <b>Net book value:</b>					
<b>31st December 2005</b>	<b>30,991</b>	<b>3,186</b>	<b>3,603</b>	<b>30</b>	<b>37,810</b>
<b>31st December 2004</b>	<b>30,991</b>	<b>3,160</b>	<b>3,075</b>	<b>36</b>	<b>37,262</b>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

7 FIXED ASSET INVESTMENTS - GROUP

	Listed £'000	Unlisted £'000	Total £'000
Cost:			
1 January 2005 and 31 December 2005	5	6	11
Provision for diminution in value			
1 January 2005 and 31 December 2005	-	6	6
Net book value			
At 1 January 2005 and 31 December 2005	5	-	5

The market value of listed investments, which are included above at cost of £5,000, as at 31 December 2005 was £17,034 (2004: £13,377).

COMPANY

	Investment in Subsidiary Undertakings £'000
1 January 2005	4,100
31 December 2005	4,100

The company holds more than 10% of the share capital of the following undertakings:

Name	Country of incorporation	Class of holding	Proportion directly held	Nature of business
AgReserves Limited	England	Ordinary	100%	Farming
Indirect holdings				
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Farming
Farmspeed (Southery Anchor) Limited	England	Ordinary	100%	Farming

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

	GROUP		COMPANY	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
8 STOCKS				
Farm stocks	2,240	1,849	-	-
Harvested crops	3,289	3,821	-	-
	5,529	5,670	-	-
9 DEBTORS				
Due within one year				
Trade debtors	2,370	1,864	-	-
Other debtors	440	339	185	77
Amounts owed by group undertakings	-	-	4,806	4,277
	2,810	2,203	4,991	4,354
10 CREDITORS: Amounts falling due within one year				
Trade creditors	99	96	-	-
Other taxation and social security costs	7	42	-	11
Other creditors	853	2,596	635	1,514
Accruals	-	19	14	19
	959	2,753	649	1,544

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

11	CREDITORS: Amounts falling due in more than one year	GROUP		COMPANY	
		2005 £'000	2004 £'000	2005 £'000	2004 £'000
	Loan from holding company	44,809	52,077	44,809	52,077

The loan from the holding company is a loan from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

12 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax provided in the financial statements is as follows:

	GROUP		COMPANY	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
At 1 January 2005	43			-
Annual movement	16			-
At 31 December 2005	59			-
Tax effect of timing differences	GROUP	COMPANY	GROUP	COMPANY
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Accelerated capital allowances	59	43	-	-

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

13 SHARE CAPITAL	2005 £'000	2004 £
Authorised 25 million ordinary shares of £1 each	25,000	100
Allotted, Issued and fully paid	10,000	100

14 TOTAL CHARITY FUNDS	GROUP		COMPANY	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Balance at 1 January 2005	9,207	9,060	5,177	5,039
Net surplus for the year	1,068	147	1,084	138

Balance at 31 December 2005	10,275	9,207	6,261	5,177
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15 RECONCILIATION OF MOVEMENT IN CHARITY FUNDS	2005 £'000	2004 £'000
Surplus for the financial year	1,068	147
Opening Charities funds	9,207	9,060
Closing Charities funds	10,275	9,207

Charities funds are entirely attributable to equity interests.

16 COMPANY INCOME AND EXPENDITURE ACCOUNT

As permitted by s230(3) Companies Act 1985, the company has not presented its own income and expenditure account.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

17 CASH FLOWS

	2005 £'000	2004 £'000	
<b>Reconciliation of net movement in funds to operating surplus</b>			
Net movement in funds	1,068	147	
Interest received	(384)	(273)	
 Operating surplus	 <u>684</u>	 <u>(126)</u>	
<b>Returns on investments and servicing of finance</b>			
Interest received	384	273	
  <u>384</u>	  <u>273</u>		
<b>Capital expenditure and Financial Investment</b>			
Purchase of tangible fixed assets	(2,789)	(1,103)	
Proceeds from sale of tangible fixed assets	202	299	
  <u>(2,587)</u>	  <u>(804)</u>		
<b>b Analysis of changes in net debt</b>			
	1 January 2005 £'000	Cash Flows 2005 £'000	31 December 2005 £'000
Cash at bank and in hand	10,062	(4)	10,058
Bank overdraft	-	-	-
  <u>10,062</u>	  <u>(4)</u>	  <u>10,058</u>	
Debt due after 1 year	(52,077)	7,268	(44,809)
  <u>Total</u>	  <u>(42,015)</u>	  <u>7,264</u>	  <u>(34,751)</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2005

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18 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The Company participates in a pension scheme operated by the Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation are shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The company has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members. Contributions to the scheme for the year were £91,000 (2004: £89,000).

19 RELATED PARTY TRANSACTIONS AND ULTIMATE HOLDING COMPANY

The company is owned solely by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints this company being incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints are included in note 11. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain) to carry out construction of church buildings on its behalf. The value of this work in the year was £5,895,000 (2004 £5,278,000).

21 CAPITAL COMMITMENTS

At 31 December 2005 the group had capital commitments as follows:

	2005 £'000	2004 £'000
Contracted for but not provided in these accounts	1,214	-

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

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1. Policy and Objectives of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited

- a) to promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and
- b) to relieve members of the Church and other persons who are in conditions of need, hardship, sickness or distress.

To achieve the above the charity:-

- 1) invests in farms which it rents out to its subsidiary companies (AgReserves Limited, Hallsworth (Farmland Trust) Limited and Farmspeed (Southery Anchor) Limited) which then operate the farms on a commercial basis. Any profits earned from these operations are returned to the charity under covenant and are applied by the charity in the furtherance of its objectives.
- 2) acquires land and builds purpose built meeting houses, for a fellow subsidiary, in which members of the Church and members of the public can meet together for religious worship and instruction.
- 3) assists individuals suffering through hardship, sickness and distress as needed.
- 4) provides advice and guidance to Church members on the Church's worldwide welfare and humanitarian aid programmes.

From the above it can be deduced that the principal income sources of the charity are the rents received from the farms operated by its subsidiaries and any profits earned by those farming subsidiary companies. Our farming subsidiaries achieve their results whilst following guidelines laid down by the Church in the following mission statement:-

" We recognise that the land we have been entrusted to manage is a most important resource, that our customers have their own special needs, and that scientific establishments are our partners, and that our employees are one of our most valuable assets.

In all things we acknowledge the goodness in others. We recognise that we have a stewardship for the land for future generations. We need to be honest in our dealings with customers, employees and all with whom we transact business.

To accomplish our mission we empower our employees with the management structure, training and resources to grow the right crops in the right locations using the latest and most efficient farming technology. "

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

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2. Financial Resources

The year ended 31 December 2005 was a good year for our farm investments. Our operating subsidiaries produced significantly improved results and this coupled with our rental income meant that we had a substantial income from our farm investments this year. Once again we received a substantial donation from our sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain).

With these available resources we have been able to meet all of the demands for assistance made on us and further build our reserves for future requirements.

Our objective is to have a one year supply of funds in reserve to meet our charitable aims. At the end of 2005 we have met that objective and are looking to expand our activities further in line with our Policy and Objectives.

The trustees of the Charity are neither employed by or paid by the Charity.

3. Review of the current year

The results of our farming operations in 2005 were most pleasing and as referred to above produced a significant improvement in the financial return on our investments in farming. We acknowledge once again the sterling work of our dedicated farm management team and their staff without whom this could not have occurred.

2005 saw an increase in turnover for our construction activities as we moved ahead on 6 new meetinghouses. As we only build new meetinghouses for our sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain) and new sites are difficult to obtain the level of our construction activities will remain subject to considerable fluctuation.

Our wheat storage training programme in the UK has now been completed although repeat courses will continue where requested.

We were involved in a number of Humanitarian Aid projects where materials were donated as well as the labour involved. Volunteers also provided training and administrative support in co-ordination with the world wide Humanitarian Aid efforts of the Church. In the future it is likely with our improved financial resources that we will be looking to participate in larger projects which will require financial backing from us.

Once again we were pleased to receive a substantial donation from our sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain) to help fund the assistance we give to people in need.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
AND SUBSIDIARY UNDERTAKINGS

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

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4. Management

The trustees of the charity are selected from the membership of the Church on the basis of their understanding of the Church Welfare programme usually having served in a senior volunteer capacity in the past by assignment. Additionally, the collective board of trustees are expected, usually by qualification, to cover the range of professional skills required to manage an organization of this magnitude within UK Charity Law.

5. Professional Resources

The Charity has access to specialist facilities management, educational, legal, financial and welfare project skills to further its work.

6. The Future Direction of the Charity

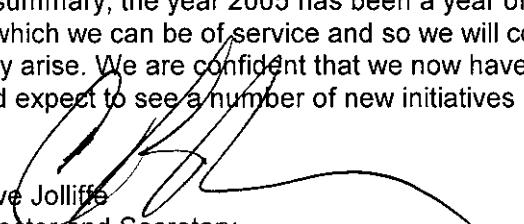
The Charity is currently developing plans to purchase further farmland that will offer opportunity to secure a larger future income and meet the requirements of the Church Welfare programme. We will significantly extend our programme for educating members in the storage and preparation of basic foods and also teaching these skills to other through our Welfare and Humanitarian Aid programmes.

We will also continue to search for land on which to build meetinghouses to meet the need of our fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain), to provide places of worship for the increasing membership of the Church.

In addition, there is a 5 to 10 year strategic plan nearing completion which is being designed to give the charity clear focus and direction for future years.

7. Summary

In summary, the year 2005 has been a year of progress and improvement. We see many areas in which we can be of service and so we will continue to build our knowledge base to meet needs as they arise. We are confident that we now have the resources to significantly expand our operations and expect to see a number of new initiatives bearing results in the coming months and years.



Clive Jolliffe  
Director and Secretary  
The Church of Jesus Christ of Latter-day Saints (Welfare) Limited  
20 October 2006

